

REMARKS

In view of the foregoing amendments and following remarks, reconsideration of this application and early allowance of the application is respectfully requested.

Claims 1-3, 8, 10-17, 19-22, 27, 29-36 and 38 are currently pending in this application. Claims 4-7, 9, 18, 23-26, 28 and 37 have been cancelled without prejudice. Claims 1-3, 8, 10-15, 17, 19-22, 27, 29-34, 36 and 38 have been amended herein. No new matter has been introduced.

In the final Office Action mailed November 5, 2002, claims 2, 11, 12, 14, 15, 30, 31, 33 and 34 were rejected under 35 U.S.C. §112, second paragraph, as being indefinite. Applicants have amended claims 2, 11, 12, 14, 15, 30, 31, 33 and 34 along the lines suggested by the Examiner to provide appropriate antecedent basis for “qualifying” purchase transactions. These claims now recite “at least one of said transactions that complies with said pre-defined program rules.” It is submitted that claims 2, 11, 12, 14, 15, 30, 31, 33 and 34 as amended herein are sufficiently definite, and the withdrawal of the rejection of these claims under 35 U.S.C. §112, second paragraph, is respectfully requested.

In the final Office Action, claims 1-38 were finally rejected under 35 U.S.C. §103(a) as being obvious over Walker et al. U.S. Patent No. 5,945,653 variously in view of Official Notices taken by the Examiner. Since claims 4-7, 9, 18, 23-26, 28 and 37 have been cancelled without prejudice, the claim rejections applied to these claims are now moot. Based on Applicants’ amendment of independent claims 1 and 20 herein and dependent claims 2, 3, 8, 10-17, 19, 21, 22, 27, 29-36 and 38, and for the reasons detailed below, Applicants request that the rejection of claims 1-3, 8, 10-17, 19-22, 27, 29-36 and 38 under 35 U.S.C. §103(a) be withdrawn, and notice to the effect that these claims are patentable over Walker, whether taken

alone or combined with the Official Notice statements or any other reference, is respectfully solicited.

As set forth in detail in the present application, and as explained in Applicants' previous submission, Applicants' invention is directed to a new system and method for enhancing the value and desirability of a substantially conventional credit card or like card to both the card holder and to the issuer of the card through a program by which the issuer of the card awards rebates to its card holders based on the card holders' usage of the card. Unlike conventional credit card programs sponsored by particular merchants which limit the card holders to redeeming rebates for specific goods or services purchased from such particular sponsoring merchants, the rebate benefits according to the present invention are provided by the card issuer and can be based on the purchase of goods and services of a broad selection of merchants within preselected categories or on other credit card transactions, such purchases or other transactions satisfying rules preselected by the credit card issuer. Thus, the credit card rebate rewards program according to the present invention avoids the need for traditional partnerships with providers of goods and services; that is, for example, the card issuer need not be involved in any co-branding arrangement or the like with any particular provider of goods and services.

In one embodiment, the present invention allows a card holder to earn a percentage of the card holder's accumulated purchases (using the credit card of the credit card issuer) as a rebate amount. The rebate amount is accrued or earned by the card holder upon making qualifying purchases of goods or services. A qualifying purchase may be of the goods and services of any merchant within a preselected category (e.g., the purchase or lease of an automobile of any make or model).

According to another embodiment, rebates can be earned not only on purchases made by the card holder, but also on other credit card transactions such as cash advances and transfers of credit balances.

Rebates come directly from the card issuer and can be in the form of an actual transfer of funds from the card issuer to the card holder or applied as a set-off against the card holder's outstanding card balance. Also, the card holder can transfer rebates earned to other authorized card holders.

The Walker patent, whether taken alone or in combination with any of the various Official Notices taken by the Examiner, does not yield, teach or even suggest the system and method according to the present invention.

The Walker patent describes a system that allows a merchant to establish (i.e., purchase) a "function" (discount, rebate, special interest rate incentive or other custom financing, or customer-specified message that will appear on credit card statements) with selected credit card issuers, which function is executed within conventional credit card transaction point-of-sale processing systems, to enable the merchant to offer customers specific purchase incentives or "merchant-based special purchase promotions" [see col. 5, line 15] on an ad hoc basis (i.e., at the point of sale) [see col. 3, line 42, to col. 4, line 5; see also, col. 5, lines 1-15]. The card issuer can also establish functions.

In the Walker system, the functions are specified by "function identifiers" or "function codes" that must be presented by the merchant or by the customer to the merchant at the point of sale, in addition to (separate from) the credit card, to obtain the benefit of the promotion [see col. 9, lines 6-9, 23-27, and 32-67; col. 10, lines 1-4 and 22-60; col. 14, lines 57-61; col. 15, lines 27-37 and 65-67; col. 17, lines 60-64; col. 18, lines 57-64; col. 19, lines 44-56;

see also FIG. 7B, step S7-12]. The function identifiers, which “can be printed on the credit card holder’s billing statement and can be easily remembered and presented to a merchant at the point-of-sale,” are manually entered into the point-of-sale terminal or otherwise communicated to the credit card issuer (e.g., by telephone) [see, e.g., col. 10, lines 38-60].

Walker, in all disclosed embodiments, absolutely requires that a function identifier or code be presented at the point of sale (like a coupon) to redeem any credit card rewards program benefit. There is no such requirement in the method and system according to the present invention.

In accordance with the present invention, rebates are earned from the card issuer solely upon making purchases or effecting other credit card transactions that (alone or cumulatively) satisfy the rules preselected by the credit card issuer. That is, it is the fact of the qualifying purchase(s) or other transaction(s) that provides the card issuer with all it needs to recognize a rewards program event and provide an appropriate rebate to the card holder. Outside of the actual qualifying purchase(s) or other transaction(s), in the method and system according to the present invention there is no need for (and hence no procedural or structural accommodation for) the card holder or merchant to communicate to the card issuer any notice that a rewards program triggering event has occurred or that reward redemption is desired.

Furthermore, Walker, in all disclosed embodiments, requires that the function affect a given (point-of-sale) transaction or the credit card account relative to such transaction [see e.g., col. 5, line 31, to col. 7, line 63; and col. 8, lines 38-56]. There is no such requirement in the method and system according to the present invention. Credit card holders can become eligible to receive rebate rewards from the credit card issuer according to the present invention based on a given qualifying transaction (whether or not a purchase) or based on a series of

qualifying transactions, but the rebate does not affect the given transaction(s) (e.g., alter the terms and conditions of, payment or otherwise, or affect any negotiation with a merchant attendant to such transaction(s)) or, for that matter, the credit card account(s) relative to such transaction(s).

Additionally, although Walker indicates generally that functions can be rebates [rebates are mentioned only in col. 3, line 47, col. 10, lines 16 and 65, and col. 15, line 43], there is no disclosure in Walker of any details whatsoever indicating how a rebate transaction is implemented according to the Walker system. Rather, Walker focuses considerable attention on rewards that can be applied on an ad hoc basis at the point-of-sale in the form of percentage discounts or discounts of a specific monetary amount. The implementation of rebates, which are realized not at the point of sale but some time after a purchase of necessity involve process and system elements different from implementation of a discount realized at the point of sale. It follows that Walker is wholly inadequate to teach or suggest a method and system directed to implementing a credit card rebate rewards program such as is affirmatively recited in the claims of the present application.

For the foregoing reasons, there is simply no teaching, suggestion, indication or portion of Walker which in any way permits a benefit, let alone a rebate, to be afforded the credit card holder by the credit card issuer absent presentation of the function identifier or code. There is also no teaching, suggestion, indication or portion of Walker which in any way permits that a reward, let alone a rebate, can be provided the card holder by the card issuer without affecting a given (point-of-sale) transaction or the credit card account relative to such transaction. The “Official Notices” taken by the Examiner of certain “facts” outside of the record do not overcome the severe deficiencies of Walker, the primary reference.

Applicants undersigned attorneys are well aware of the criteria for establishing a prima facie case of obviousness under 35 U.S.C. §103(a). However, the Walker patent, whether taken alone or combined with the Examiner's unsupported "interpretation modifying the teachings of the Walker reference" as applied in the Office Action are inadequate to the task.

First, given the fact that there is no disclosure in Walker of any details whatsoever indicating how a rebate transaction is implemented according to the Walker system, Applicants respectfully submit that, absent the benefit of the present application for patent, the Examiner (and, indeed, one skilled in the art at the time the invention was made) would not have perceived a disclosure of the system and process of the present invention in Walker. By taking in hindsight knowledge of the system and process according to the present invention and attributing elements thereof to Walker to fashion claim rejections under 35 U.S.C. §103(a) when the cited art and the Official Notice statements do not contain or support that knowledge, it is respectfully submitted that the Examiner is impermissibly using the claimed invention as a blueprint for its own reconstruction. The invention must be viewed not after the blueprint has been drawn by the inventor, but as it would have been perceived in the state of the art that existed at the time the invention was made. See e.g., *Interconnect Planning Corp. v. Feil*, 227 U.S.P.Q. 543, 547 (Fed. Cir. 1985), *W.L. Gore & Assoc. v. Garlock, Inc.*, 220 U.S.P.Q. 303, 312-13 (Fed. Cir. 1983). Accordingly, Applicants respectfully dispute the Examiner's contention that given the teaching of the Walker patent, taken alone or with the Official Notice statements, one of ordinary skill would have found it obvious to provide a system and process in accordance with Applicant's claimed invention.

Second, the Official Notice statements cannot properly be used in an attempt to overcome the severe deficiencies of Walker as they are not capable of instant and unquestionable

demonstration as being well-known (see MPEP 2144.03; *In re Ahlert*, 165 U.S.P.Q. 418, 420 (CCPA 1970)). For example, the inadequacies of the Official Notice statements are particularly apparent with respect to the features recited in the dependent claims (as originally presented and as amended) of basing a rebate on cash advances or transfers of credit balances, and the features of transferring rebates to a second credit card held by a second card holder, which features Applicants submit are new, unique and non-obvious and are nowhere taught or suggested in Walker.

Accordingly, Applicants respectfully traverse the claim rejections based on the combination of Walker with the “Official Notice” statements, and Applicants respectfully reiterate their request that the Examiner either withdraw such statements or provide appropriate evidence supporting the statements and/or an affidavit under 37 C.F.R. 1.104(d)(2). See, *In re Sun*, 31 U.S.P.Q. 2d 1451 (Fed. Cir. 1993)(unpublished).

Third, the Walker patent requires and the Official Notice statements rely on “functions adapted to affect credit card transactions,” and, as explained above, there is no such requirement in the method and system according to the present invention.

Applicants previously distinguished the present invention over the Walker patent and the Official Notice statements by amending independent claims 1 and 20 to clarify that the qualifying transaction is the only activity required to enable the card issuer to recognize a rebate program event according to the method and system of the present invention – i.e., that there is no need for the credit card holder or a merchant to affirmatively request application of a function by the credit card issuer (through presentation of a function identifier or code or otherwise). Applicants have now further amended claims 1 and 20 to more particularly point out and distinctly claim that qualifying credit card transactions need not be limited to purchase

transactions, and that the rebate reward does not affect a given transaction. Appropriate conforming amendments have also been presented in dependent claims 2, 3, 8, 10-17, 19, 21, 22, 27, 29-36 and 38

Accordingly, it is submitted that claims 1 and 20 are patentable over Walker, whether taken alone or combined with the Official Notice statements or any other reference. Notice to this effect is earnestly solicited.

Amended claims 2, 3, 8, 10-17 and 19 which depend from claim 1, and amended claims 21, 22, 27, 29-36 and 38 which depend from claim 20, are allowable for the same reasons detailed above in connection with the rejection of independent claims 1 and 20. They are also allowable for the additional features, steps and structure recited therein.

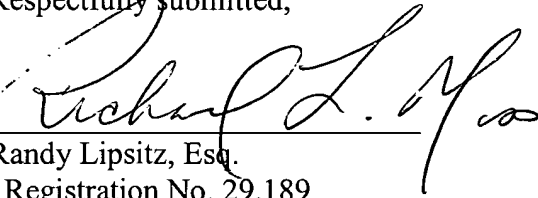
On the basis of the foregoing amendments and remarks, which constitute a bona fide attempt to advance the application (37 CFR 1.111), Applicants respectfully submit that this application is in condition for immediate allowance, and notice to this effect is earnestly requested. The Examiner is invited to contact Applicants' undersigned attorneys at the telephone number listed below if it will advance the prosecution of this case.

Submission of formal drawings will be deferred until allowance of the application.

No fee is believed due with this Response other than the \$750.00 fee for the RCE filed herewith and the \$930.00 fee associated with the Petition for a Three-Month Extension of Time submitted herewith.

Please charge any fee deficiency and credit any overpayment to the undersigned attorney's Deposit Account No. 50-0540.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy Lipsitz", is written over a horizontal line.

Randy Lipsitz, Esq.

Registration No. 29,189

Richard L. Moss, Esq.

Registration No. 39,782

Attorneys for Applicants

KRAMER LEVIN NAFTALIS & FRANKEL LLP

919 Third Avenue

New York, New York 10022

(212) 715-9100